

State of Arizona
Senate
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 119

SENATE BILL 1209

AN ACT

AMENDING SECTIONS 28-5808, 28-6532, 42-5029, 42-5033 AND 43-206, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5033.01; RELATING TO STATE SHARED REVENUES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-5808, Arizona Revised Statutes, is amended to
3 read:

4 28-5808. Vehicle license tax distribution

5 A. The director shall distribute monies collected by the director
6 pursuant to section 28-5801, except monies deposited in the state general
7 fund, on the first and fifteenth calendar day of each month as follows:

8 1. On the first calendar day, the director shall deposit, pursuant to
9 sections 35-146 and 35-147, all of the Arizona highway user revenue fund
10 monies received from the first to the fifteenth calendar day of the preceding
11 month to IN the Arizona highway user revenue fund.

12 2. On the fifteenth calendar day, the director shall deposit, pursuant
13 to sections 35-146 and 35-147, all of the Arizona highway user revenue fund
14 monies received from the sixteenth through the last day of the preceding
15 month in the Arizona highway user revenue fund and distribute or deposit all
16 other monies received during the entire preceding month as follows:

17 (a) The county general fund monies to the county general fund.

18 (b) The county highway monies to the state treasurer to be apportioned
19 among the counties for the same use as highway user revenue fund monies on
20 the basis that the population of the unincorporated area of each county bears
21 to the population of the unincorporated areas of all counties in this state
22 ~~as shown by the most recent United States decennial census.~~

23 (c) The incorporated cities and towns monies to the incorporated
24 cities and towns of the county in proportion to the population of each as
25 ~~shown by the most recent United States census.~~

26 B. The director shall distribute monies collected by the director
27 pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810, except monies
28 deposited in the state general fund, on the first and fifteenth calendar day
29 of each month as follows:

30 1. On the first calendar day, the director shall deposit, pursuant to
31 sections 35-146 and 35-147, 37.61 per cent of all monies received from the
32 first through the fifteenth calendar day of the preceding month in the
33 highway user revenue fund.

34 2. On the fifteenth calendar day, the director shall deposit, pursuant
35 to sections 35-146 and 35-147, 37.61 per cent of all monies received from the
36 sixteenth through the last day of the preceding month in the highway user
37 revenue fund and distribute or deposit the following amounts as a percentage
38 of all monies received pursuant to sections 28-5804, 28-5805, 28-5806 and
39 28-5810 during the entire preceding month as follows:

40 (a) 20.45 per cent to the county general fund.

41 (b) 4.91 per cent to the state treasurer to be apportioned among the
42 counties for the same use as highway user revenue fund monies on the basis
43 that the population of the unincorporated area of each county bears to the
44 population of the unincorporated areas of all counties in this state ~~as shown~~
45 ~~by the most recent United States decennial census.~~

1 (c) 20.45 per cent to the incorporated cities and towns of the county
2 in proportion to the population of each ~~as shown by the most recent United~~
3 ~~States census.~~

4 (d) Except as provided in subsection C of this section, 1.64 per cent
5 shall be deposited, pursuant to sections 35-146 and 35-147, in the state
6 highway fund established by section 28-6991.

7 (e) 4.09 per cent in the state highway fund established by section
8 28-6991.

9 (f) 10.85 per cent shall be deposited, pursuant to sections 35-146 and
10 35-147, in the state general fund to aid school financial assistance.

11 C. Through September 30, 2003, if the department's authorized share
12 of federal surface transportation program monies in each year is more than
13 forty-two million dollars, the director shall deposit each year in equal
14 installments during the year an annual amount equal to the difference between
15 this state's authorized share of federal surface transportation program
16 monies and forty-two million dollars from the amount prescribed in subsection
17 B, paragraph 2, subdivision (d) of this section in the local transportation
18 assistance fund established by section 28-8101. Monies deposited in the
19 local transportation assistance fund pursuant to this subsection shall be
20 distributed to eligible cities, towns and counties as provided in section
21 28-8103. The amount distributed pursuant to this subsection shall not exceed
22 the amount prescribed in subsection B, paragraph 2, subdivision (d) of this
23 section.

24 D. FOR PURPOSES OF THIS SECTION THE POPULATION OF A COUNTY, CITY OR
25 TOWN SHALL BE DETERMINED AS PROVIDED BY SECTION 28-6532 OR 42-5033.01. If
26 an incorporated city or town has had no federal enumeration OF POPULATION,
27 the supervisors shall both:

28 1. Appoint a qualified person to take an accurate census of the
29 incorporated city or town.

30 2. Certify the results to the county treasurer, and the incorporated
31 city or town shall share in the distribution as provided by this section.

32 Sec. 2. Section 28-6532, Arizona Revised Statutes, is amended to read:
33 28-6532. Population determination; decennial or special census

34 A. EXCEPT AS PROVIDED BY SECTION 42-5033.01, the population as shown
35 by the decennial census as certified by the United States bureau of the
36 census shall be used as the basis for the apportionment of monies pursuant
37 to this article on July 1 in the year after the decennial census.

38 B. During the fifth year after the decennial census, a county, city
39 or town may request the United States bureau of the census to take a special
40 census of the population of the county, city or town. The results of the
41 special census shall be certified to the state treasurer and shall be used
42 on July 1 in the year after the special census as the basis for the
43 apportionment of monies pursuant to this article.

44 C. Notwithstanding any other law, a city or town that is initially
45 incorporated after the decennial census or July 1 of the fifth year after the

1 decennial census and that has caused a special census of the population
2 within the city or town limits to be taken by the United States bureau of the
3 census may cause the result of the special census to be certified to the
4 state treasurer. Beginning on July 1 after the completion of the special
5 census, the special census shall be used as the basis of the apportionment
6 of monies pursuant to this article in determining the amount payable to the
7 city or town until the next United States decennial census or special census
8 as provided in subsection B of this section.

9 D. A county may request and utilize a special census for the purposes
10 of subsection B of this section even if one or more incorporated cities or
11 towns in the county do not request a special census. The county special
12 census shall include only those persons residing in unincorporated areas of
13 the county.

14 Sec. 3. Section 42-5029, Arizona Revised Statutes, is amended to read:
15 42-5029. Remission and distribution of monies

16 A. The department shall deposit, pursuant to sections 35-146 and
17 35-147, all revenues collected under this article and articles 4, 5, 8 and
18 9 of this chapter pursuant to section 42-1116, separately accounting for:

19 1. Payments of estimated tax under section 42-5014, subsection D.

20 2. Revenues collected pursuant to section 42-5070.

21 3. Revenues collected under this article and article 5 of this chapter
22 from and after June 30, 2000 from sources located on Indian reservations in
23 this state.

24 4. Revenues collected pursuant to section 42-5010, subsection G and
25 section 42-5155, subsection D.

26 B. The department shall credit payments of estimated tax to an
27 estimated tax clearing account and each month shall transfer all monies in
28 the estimated tax clearing account to a fund designated as the transaction
29 privilege and severance tax clearing account. The department shall credit
30 all other payments to the transaction privilege and severance tax clearing
31 account, separately accounting for the monies designated as distribution base
32 under sections 42-5010, 42-5164, 42-5205, 42-5353 and 42-5409. Each month
33 the department shall report to the state treasurer the amount of monies
34 collected pursuant to this article and articles 4, 5, 8 and 9 of this
35 chapter.

36 C. On notification by the department, the state treasurer shall
37 distribute the monies deposited in the transaction privilege and severance
38 tax clearing account in the manner prescribed by this section and by sections
39 42-5164, 42-5205, 42-5353 and 42-5409, after deducting warrants drawn against
40 the account pursuant to sections 42-1118 and 42-1254.

41 D. Of the monies designated as distribution base the department shall:

42 1. Pay twenty-five per cent to the various incorporated municipalities
43 in this state in proportion to their population as shown by the last United
44 States decennial or special census, or revisions to the decennial or special

1 ~~census certified by the United States bureau of the census, to be used by the~~
2 ~~municipalities for any municipal purpose.~~

3 2. Pay 38.08 per cent to the counties in this state by averaging the
4 following proportions:

5 (a) The proportion that the population of each county bears to the
6 total state population, ~~as shown by the most recent United States decennial~~
7 ~~or special census, or revisions to the decennial or special census certified~~
8 ~~by the United States bureau of the census.~~

9 (b) The proportion that the distribution base monies collected during
10 the calendar month in each county under this article, section 42-5164,
11 subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409
12 bear to the total distribution base monies collected under this article,
13 section 42-5164, subsection B, section 42-5205, subsection B and sections
14 42-5353 and 42-5409 throughout the state for the calendar month.

15 3. Pay an additional 2.43 per cent to the counties in this state as
16 follows:

17 (a) Average the following proportions:

18 (i) The proportion that the assessed valuation used to determine
19 secondary property taxes of each county, after deducting that part of the
20 assessed valuation that is exempt from taxation at the beginning of the month
21 for which the amount is to be paid, bears to the total assessed valuations
22 used to determine secondary property taxes of all the counties after
23 deducting that portion of the assessed valuations that is exempt from
24 taxation at the beginning of the month for which the amount is to be paid.
25 Property of a city or town that is not within or contiguous to the municipal
26 corporate boundaries and from which water is or may be withdrawn or diverted
27 and transported for use on other property is considered to be taxable
28 property in the county for purposes of determining assessed valuation in the
29 county under this item.

30 (ii) The proportion that the distribution base monies collected during
31 the calendar month in each county under this article, section 42-5164,
32 subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409
33 bear to the total distribution base monies collected under this article,
34 section 42-5164, subsection B, section 42-5205, subsection B and sections
35 42-5353 and 42-5409 throughout the state for the calendar month.

36 (b) If the proportion computed under subdivision (a) of this paragraph
37 for any county is greater than the proportion computed under paragraph 2 of
38 this subsection, the department shall compute the difference between the
39 amount distributed to that county under paragraph 2 of this subsection and
40 the amount that would have been distributed under paragraph 2 of this
41 subsection using the proportion computed under subdivision (a) of this
42 paragraph and shall pay that difference to the county from the amount
43 available for distribution under this paragraph. Any monies remaining after
44 all payments under this subdivision shall be distributed among the counties
45 according to the proportions computed under paragraph 2 of this subsection.

1 4. After any distributions required by sections 42-5030.01, 42-5031,
2 42-5032, ~~AND 42-5032.01 and 42-5032.02~~, and after making any transfer to
3 the water quality assurance revolving fund as required by section 49-282,
4 subsection B, credit the remainder of the monies designated as distribution
5 base to the state general fund. From this amount:

6 (a) The legislature shall annually appropriate to:

7 (i) The department of revenue sufficient monies to administer and
8 enforce this article and articles 5, 8 and 9 of this chapter.

9 (ii) The department of economic security monies to be used for the
10 purposes stated in title 46, chapter 1.

11 (iii) The Arizona arts endowment fund established by section 41-986,
12 the full amount by which revenues derived from the amusement classification
13 pursuant to section 42-5073 for the current fiscal year exceed the revenues
14 that were derived from that classification in fiscal year 1993-1994, except
15 that this amount shall not exceed two million dollars through fiscal year
16 2008-2009.

17 (iv) The firearms safety and ranges fund established by section
18 17-273, fifty thousand dollars derived from the taxes collected from the
19 retail classification pursuant to section 42-5061 for the current fiscal
20 year.

21 (b) The state treasurer shall transfer to the tourism fund an amount
22 equal to the sum of the following:

23 (i) Three and one-half per cent of the gross revenues derived from the
24 transient lodging classification pursuant to section 42-5070 during the
25 preceding fiscal year.

26 (ii) Three per cent of the gross revenues derived from the amusement
27 classification pursuant to section 42-5073 during the preceding fiscal year.

28 (iii) Two per cent of the gross revenues derived from the restaurant
29 classification pursuant to section 42-5074 during the preceding fiscal year.

30 E. If approved by the qualified electors voting at a statewide general
31 election, all monies collected pursuant to section 42-5010, subsection G and
32 section 42-5155, subsection D shall be distributed each fiscal year pursuant
33 to this subsection. The monies distributed pursuant to this subsection are
34 in addition to any other appropriation, transfer or other allocation of
35 public or private monies from any other source and shall not supplant,
36 replace or cause a reduction in other school district, charter school,
37 university or community college funding sources. The monies shall be
38 distributed as follows:

39 1. If there are outstanding state school facilities revenue bonds
40 pursuant to title 15, chapter 16, article 7, each month one-twelfth of the
41 amount that is necessary to pay the fiscal year's debt service on outstanding
42 state school improvement revenue bonds for the current fiscal year shall be
43 transferred each month to the school improvement revenue bond debt service
44 fund established by section 15-2084. The total amount of bonds for which
45 these monies may be allocated for the payment of debt service shall not

1 exceed a principal amount of eight hundred million dollars exclusive of
2 refunding bonds and other refinancing obligations.

3 2. After any transfer of monies pursuant to paragraph 1 of this
4 subsection, twelve per cent of the remaining monies collected during the
5 preceding month shall be transferred to the technology and research
6 initiative fund established by section 15-1648 to be distributed among the
7 universities for the purpose of investment in technology and research-based
8 initiatives.

9 3. After the transfer of monies pursuant to paragraph 1 of this
10 subsection, three per cent of the remaining monies collected during the
11 preceding month shall be transferred to the workforce development account
12 established in each community college district pursuant to section 15-1472
13 for the purpose of investment in workforce development programs.

14 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
15 subsection, one-twelfth of the amount a community college that is owned,
16 operated or chartered by a qualifying Indian tribe on its own Indian
17 reservation would receive pursuant to section 15-1472, subsection D,
18 paragraph 2 if it were a community college district under the jurisdiction
19 of the state board of directors for community colleges shall be distributed
20 each month to the treasurer or other designated depository of a qualifying
21 Indian tribe. Monies distributed pursuant to this paragraph are for the
22 exclusive purpose of providing support to one or more community colleges
23 owned, operated or chartered by a qualifying Indian tribe and shall be used
24 in a manner consistent with section 15-1472, subsection B. For purposes of
25 this paragraph, "qualifying Indian tribe" has the same meaning as defined in
26 section 42-5031.01, subsection D.

27 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
28 subsection, one-twelfth of the following amounts shall be transferred each
29 month to the department of education for the increased cost of basic state
30 aid under section 15-971 due to added school days and associated teacher
31 salary increases enacted in 2000:

32 (a) In fiscal year 2001-2002, \$15,305,900.

33 (b) In fiscal year 2002-2003, \$31,530,100.

34 (c) In fiscal year 2003-2004, \$48,727,700.

35 (d) In fiscal year 2004-2005, \$66,957,200.

36 (e) In fiscal year 2005-2006 and each fiscal year thereafter,
37 \$86,280,500.

38 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
39 subsection, seven million eight hundred thousand dollars is appropriated each
40 fiscal year, to be paid in monthly installments, to the department of
41 education to be used for school safety as provided in section 15-154 and two
42 hundred thousand dollars is appropriated each fiscal year, to be paid in
43 monthly installments to the department of education to be used for the
44 character education matching grant program as provided in section 15-154.01.

1 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
2 subsection, no more than seven million dollars may be appropriated by the
3 legislature each fiscal year to the department of education to be used for
4 accountability purposes as described in section 15-241 and title 15, chapter
5 9, article 8.

6 8. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
7 subsection, one million five hundred thousand dollars is appropriated each
8 fiscal year, to be paid in monthly installments, to the failing schools
9 tutoring fund established by section 15-241.

10 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of this
11 subsection, twenty-five million dollars shall be transferred each fiscal year
12 to the state general fund to reimburse the general fund for the cost of the
13 income tax credit allowed by section 43-1072.01.

14 10. After the payment of monies pursuant to paragraphs 1 through 9 of
15 this subsection, the remaining monies collected during the preceding month
16 shall be transferred to the classroom site fund established by section
17 15-977. The monies shall be allocated as follows in the manner prescribed
18 by section 15-977:

19 (a) Forty per cent shall be allocated for teacher compensation based
20 on performance.

21 (b) Twenty per cent shall be allocated for increases in teacher base
22 compensation and employee related expenses.

23 (c) Forty per cent shall be allocated for maintenance and operation
24 purposes.

25 F. The department shall credit the remainder of the monies in the
26 transaction privilege and severance tax clearing account to the state general
27 fund, subject to any distribution required by section 42-5030.01.

28 G. Notwithstanding subsection D of this section, if a court of
29 competent jurisdiction finally determines that tax monies distributed under
30 this section were illegally collected under this article or articles 5, 8 and
31 9 of this chapter and orders the monies to be refunded to the taxpayer, the
32 department shall compute the amount of such monies that was distributed to
33 each city, town and county under this section. The department shall notify
34 the state treasurer of that amount plus the proportionate share of additional
35 allocated costs required to be paid to the taxpayer. Each city's, town's and
36 county's proportionate share of the costs shall be based on the amount of the
37 original tax payment each municipality and county received. Each month the
38 state treasurer shall reduce the amount otherwise distributable to the city,
39 town and county under this section by one thirty-sixth of the total amount
40 to be recovered from the city, town or county until the total amount has been
41 recovered, but the monthly reduction for any city, town or county shall not
42 exceed ten per cent of the full monthly distribution to that entity. The
43 reduction shall begin for the first calendar month after the final
44 disposition of the case and shall continue until the total amount, including
45 interest and costs, has been recovered.

1 H. On receiving a certificate of default from the greater Arizona
2 development authority pursuant to section 41-1554.06 or 41-1554.07 and to the
3 extent not otherwise expressly prohibited by law, the state treasurer shall
4 withhold from the next succeeding distribution of monies pursuant to this
5 section due to the defaulting political subdivision the amount specified in
6 the certificate of default and immediately deposit the amount withheld in the
7 greater Arizona development authority revolving fund. The state treasurer
8 shall continue to withhold and deposit the monies until the greater Arizona
9 development authority certifies to the state treasurer that the default has
10 been cured. In no event may the state treasurer withhold any amount that the
11 defaulting political subdivision certifies to the state treasurer and the
12 authority as being necessary to make any required deposits then due for the
13 payment of principal and interest on bonds of the political subdivision that
14 were issued before the date of the loan repayment agreement or bonds and that
15 have been secured by a pledge of distributions made pursuant to this section.

16 I. EXCEPT AS PROVIDED BY SECTIONS 42-5033 AND 42-5033.01, THE
17 POPULATION OF A COUNTY, CITY OR TOWN AS DETERMINED BY THE MOST RECENT UNITED
18 STATES DECENNIAL CENSUS PLUS ANY REVISIONS TO THE DECENNIAL CENSUS CERTIFIED
19 BY THE UNITED STATES BUREAU OF THE CENSUS SHALL BE USED AS THE BASIS FOR
20 APPORTIONING MONIES PURSUANT TO SUBSECTION D OF THIS SECTION.

21 Sec. 4. Section 42-5033, Arizona Revised Statutes, is amended to read:

22 42-5033. Special census

23 A. During the fifth year following the decennial census, an
24 ~~incorporated municipality~~ A COUNTY, CITY OR TOWN may cause to be taken by the
25 United States bureau of the census a special census of the population within
26 ~~the municipal limits~~ OF THE COUNTY, CITY OR TOWN. The results of the special
27 census may be certified by the director. Beginning July 1 in the sixth year
28 following the decennial census, the special census PLUS ANY REVISIONS TO THE
29 SPECIAL CENSUS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS shall be
30 used as the basis of apportionment of the taxes under section 42-5029,
31 subsection D, ~~paragraph 1~~ until the next federal decennial census.

32 B. Notwithstanding any of the provisions of section 42-5029, any
33 municipality which is initially incorporated subsequent to the decennial
34 census or July 1 of the fifth year thereafter and which has caused a special
35 census of the population within the municipal limits to be taken by the
36 United States census bureau may cause the result of such special census to
37 be certified to the director. Commencing on July 1, following the
38 completion of such special census, it shall be used as the basis of
39 apportionment of the taxes collected under this article in determining the
40 amount payable to such municipality until the next federal decennial census
41 or special census as provided under section 28-6532.

1 Sec. 5. Title 42, chapter 5, article 1, Arizona Revised Statutes, is
2 amended by adding section 42-5033.01, to read:

3 42-5033.01. Use of population estimates for state shared
4 revenues; report

5 A. IN LIEU OF CONDUCTING A SPECIAL CENSUS AS PROVIDED BY SECTIONS
6 28-6532 AND 42-5033, BEFORE MAY 1, 2006:

7 1. A CITY, TOWN OR COUNTY MAY SUBMIT TO THE DIRECTOR OF THE DEPARTMENT
8 OF REVENUE, THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION AND THE STATE
9 TREASURER ITS JULY 2005 POPULATION ESTIMATE AS APPROVED BY THE DIRECTOR OF
10 THE DEPARTMENT OF ECONOMIC SECURITY. ON SUBMITTAL, THAT POPULATION, PLUS ANY
11 REVISIONS DUE TO ANNEXATIONS CERTIFIED BY THE UNITED STATES BUREAU OF THE
12 CENSUS, SHALL BE USED FOR DISTRIBUTION OF STATE SHARED TAX REVENUES PURSUANT
13 TO SECTIONS 28-5808, 28-6540, 42-5029 AND 43-206 TO THE CITY, TOWN OR COUNTY
14 BEGINNING JULY 1, 2006 THROUGH JUNE 30, 2011.

15 2. A CITY, TOWN OR COUNTY MAY CONTRACT WITH THE UNITED STATES BUREAU
16 OF THE CENSUS TO CONDUCT A SAMPLE SURVEY THAT RESULTS IN A 2005 RESIDENT
17 POPULATION AND SUBMIT THE RESULTS OF THAT SURVEY TO THE DIRECTOR OF THE
18 DEPARTMENT OF REVENUE, THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION AND
19 THE STATE TREASURER. THE SURVEY SHALL ALSO REPORT TOTAL RESIDENT POPULATION
20 IN HOUSING UNITS, TOTAL RESIDENT POPULATION IN GROUP QUARTERS, TOTAL HOUSING
21 UNITS AND TOTAL OCCUPIED HOUSING UNITS FOR THE CITY, TOWN OR COUNTY. ON
22 SUBMITTAL, THAT 2005 RESIDENT POPULATION, PLUS ANY REVISIONS DUE TO
23 ANNEXATIONS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS, SHALL BE
24 USED AS THE BASE FOR THE CALCULATION OF POPULATION ESTIMATES FOR 2006 THROUGH
25 2010 BY THE DEPARTMENT OF ECONOMIC SECURITY AND FOR DISTRIBUTION OF STATE
26 SHARED TAX REVENUES PURSUANT TO SECTIONS 28-5808, 28-6540, 42-5029 AND 43-206
27 TO THE CITY, TOWN OR COUNTY BEGINNING JULY 1, 2006 THROUGH JUNE 30,
28 2011. ANY CITY, TOWN OR COUNTY CONTRACTING FOR THE SURVEY MAY NOT EXERCISE
29 THE OPTION PROVIDED IN SUBSECTION A, PARAGRAPH 1 OF THIS SECTION.

30 3. A CITY, TOWN OR COUNTY MAY REQUEST THE DIRECTOR OF THE DEPARTMENT
31 OF REVENUE, THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION AND THE STATE
32 TREASURER TO CONTINUE TO USE THE 2000 UNITED STATES DECENNIAL CENSUS THROUGH
33 JUNE 30, 2011 FOR DISTRIBUTION OF STATE SHARED TAX REVENUES PURSUANT TO
34 SECTIONS 28-5808, 28-6540, 42-5029 AND 43-206.

35 B. NO LATER THAN JUNE 30, 2006, THE JOINT LEGISLATIVE BUDGET COMMITTEE
36 SHALL PREPARE A REPORT ON THE USE OF POPULATION ESTIMATES PURSUANT TO THIS
37 SECTION AND SHALL INCLUDE A COMPARISON OF:

38 1. THE POPULATION ESTIMATE DATA PRODUCED BY THE DEPARTMENT OF ECONOMIC
39 SECURITY FOR PURPOSES OF THIS SECTION WITH ANY AVAILABLE CENSUS DATA.

40 2. STATE SHARED REVENUE AMOUNTS DISTRIBUTED TO CITIES, TOWNS AND
41 COUNTIES USING THE SPECIAL CENSUS OR SAMPLE SURVEY POPULATION DATA WITH
42 AMOUNTS THAT WOULD HAVE BEEN DISTRIBUTED USING THE POPULATION ESTIMATE DATA
43 PRODUCED BY THE DEPARTMENT OF ECONOMIC SECURITY FOR THE PURPOSES OF THIS
44 SECTION.

1 Sec. 6. Section 43-206, Arizona Revised Statutes, is amended to read:
2 43-206. Urban revenue sharing fund; allocation; distribution

3 A. There is established an urban revenue sharing fund. For fiscal
4 year 2000-2001 and fiscal year 2001-2002, the urban revenue sharing fund
5 shall consist of an amount equal to fifteen per cent of the net proceeds of
6 the state income taxes for fiscal year 1998-1999 and 1999-2000, respectively.
7 For fiscal years 2002-2003 and 2003-2004, the fund shall consist of an amount
8 equal to fifteen per cent of the amount of monies transferred pursuant to law
9 in fiscal year 2000-2001 and 2001-2002, respectively, from the budget
10 stabilization fund to the tax refund account of the state general fund plus
11 fourteen and eight-tenths per cent of the net proceeds of the state income
12 taxes, not including any amounts transferred from the budget stabilization
13 fund to the tax refund account, for fiscal year 2000-2001 and 2001-2002,
14 respectively. For fiscal year 2004-2005 and each fiscal year thereafter, the
15 fund shall consist of an amount equal to fifteen per cent of the net proceeds
16 of the state income taxes for the fiscal year two years preceding the current
17 fiscal year. The fund shall be distributed to incorporated cities and towns
18 as provided in this section. The transfer of net proceeds prescribed by
19 section 49-282, subsection B does not affect the calculation of net proceeds
20 prescribed by this subsection.

21 B. Each city or town shall share in the urban revenue sharing fund in
22 the proportion that the population of each bears to the population of all as
23 ~~determined by the United States bureau of the census in the last decennial~~
24 ~~census or special census pursuant to section 42-5033.~~ EXCEPT AS PROVIDED BY
25 SECTIONS 42-5033 AND 42-5033.01, THE POPULATION OF A CITY OR TOWN AS
26 DETERMINED BY THE MOST RECENT UNITED STATES DECENNIAL CENSUS PLUS ANY
27 REVISIONS TO THE DECENNIAL CENSUS CERTIFIED BY THE UNITED STATES BUREAU OF
28 THE CENSUS SHALL BE USED AS THE BASIS FOR APPORTIONING MONIES PURSUANT TO
29 THIS SUBSECTION.

30 C. The treasurer, upon instruction from the department, shall
31 transmit, no later than the tenth day of each month, to each city or town an
32 amount equal to one-twelfth of that city's or town's total entitlement for
33 the current fiscal year from the urban revenue sharing fund as determined by
34 the department.

35 D. A newly incorporated city or town shall share in the urban revenue
36 sharing fund beginning the first month of the first full fiscal year
37 following incorporation.

38 E. On receipt of a certificate of default from the greater Arizona
39 development authority pursuant to section 41-1554.06 or 41-1554.07, the state
40 treasurer, to the extent not otherwise expressly prohibited by law, shall
41 withhold from the next succeeding distribution of monies pursuant to this
42 section due to the city or town the amount specified in the certificate of
43 default and immediately deposit the amount withheld in the greater Arizona
44 development authority revolving fund. The state treasurer shall continue to
45 withhold and deposit the monies until the authority certifies to the state

1 treasurer that the default has been cured. In no event shall the state
2 treasurer withhold any amount that is necessary, as certified by the
3 defaulting political subdivision to the state treasurer and the authority,
4 to make any required deposits then due for the payment of principal and
5 interest on bonds of the political subdivision that were issued prior to the
6 date of the loan repayment agreement or bonds and that have been secured by
7 a pledge of distributions made pursuant to this section.

APPROVED BY THE GOVERNOR APRIL 28, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2003.

Passed the House April 10, 20 03,

by the following vote: 54 Ayes,

5 Nays, 1 Not Voting

Jack Flake
Speaker of the House

Norman L. Foye
Chief Clerk of the House

Passed the Senate March 12, 20 03,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

Ken Bennett
President of the Senate

Charmine Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

S.B. 1209

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate April 22, 20 03

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

Ken Blumenthal
President of the Senate
Chaimin Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

22 day of April, 20 03

at 3:27 o'clock P M.

Sandra Camisey
Secretary to the Governor

Approved this 28 day of

April, 20 03,

at 3:30 o'clock 1? M.

Jan. Ariz. 16
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28 day of April, 20 03,

at 4:51 o'clock P M.
Janice K. Brewer
Secretary of State

S.B. 1209